

**The procedure and an example of calculating and paying deposit interests / according to Regulation 8/02 of the RA Central Bank “On calculation of annual interest profitability of bank deposits”/**

- The deposit amount interests are calculated on actual balance of deposit account from the next day of depositing the amount in the bank till the day before paying it back to the depositor or writing off the account of the depositor on the other bases.
- The calculation of interests is done by the Bank at ordinary interest rate, taking 365 days a year /366 for a leap-year/ as a divider.
- If the depositor is a non-resident legal entity or sole entrepreneur, the interests are paid to the depositor in the deposit currency. In all other cases if the deposit is in foreign currency, the interests are paid in AMD at the exchange rate defined by the bank for buying the relevant currency as of the payment day.
- The deposit interests are subject to 10% income tax, except the resident legal entities.

**An example of calculating annual interest profitability.**

**Deposit DAILY**

- a. Deposit amount – AMD 100,000.0,
- b. Deposit term - 32 days,
- c. Current interest rate - 5% annually,
- d. Other - 10% interest income tax,

The deposit interest amount is calculated as follows:

**Daily interest income**

$$\frac{100,000 \text{ (deposit amount)} \times 5\% \text{ (annual interest rate)}}{365 \text{ or } 366 \text{ (number of days a year, leap-year)}} = 13.70$$

**Interest income for 32 days**

13.70 x 30 (the number of days minus 2 days for deposit formulations and closing) – 41.1 (10% taxation) = 369.90

**As a result, the deposit “Daily” in amount of AMD 100,000.0 with 5% yearly profitability after 32 days will make up AMD 100,369.90. s will make up AMD 133,486.99.**